Budget Update on Jobs and Economy ■ April 16, 2002

Development Slowed, Backlogs for Permits Grow Alaskans' Only Chance to Speak Out This

Wednesday and Thursday

Now is the Time

Let your legislators know how you feel about their cuts to programs and services for Alaskans.

Statewide Teleconferences

People wishing to testify may want to arrive early in the event testimony from previous LIOs concludes before the scheduled time. Meetings will conclude at the stated time or when all those present have made their comments.

Wednesday, April 17, 2002:

4:00 - 4:45 Dillingham, Homer, Seward, Valdez

4:45 - 5:30 Cordova, Kenai, Kodiak, Bethel

5:30 - 6:15 Glennallen, Petersburg, Sitka 7:00 - 9:00 Anchorage

Thursday, April 18, 2002:

9:00 - 10:00 Mat-su, Delta Junction, Ketchikan, Tok

10:00 - 11:00 Wrangell, Nome, Kotzebue, Barrow

4:00 - 5:15 Offnet Sites (1-888-263-1555)

5:15 - 6:30 Fairbanks

7:15 - 9:00 Juneau

Contact Your Legislator

Phone: Call your local LIO **Email:**

- Representative_Firstname_Last name@legis.state.ak.us
- Senator_Firstname_Last name @legis.state.ak.us



- Alaska's good fortune as one of only seven states in America with growing economies is at risk by drastic budget cuts proposed by House and Senate majority budget writers. The proposed <u>cuts in services of tens of millions in a single year</u>, plus the denial of strategic investments for children and the economy, will drastically affect Alaska industries from tourism to fisheries to oil development. Unlike House and Senate budget leaders, Gov. Knowles doesn't think Alaskans need to "feel pain" and risk jeopardizing our economic good health. The Governor proposed holding the line on services, except for modest increased investments in education and children's health and safety. Instead, the proposed House and Senate budgets would slash state services and risk Alaskan jobs.
- The only chance Alaskans have to speak out about the Senate's proposed service cuts is this Wednesday and Thursday when the Senate Finance Committee takes public testimony. Senate leaders plan final action on the budget beginning April 19.

Here are some ways the Senate budget proposal endangers Alaska's economic health:

- Oil Safety and Development Senate Finance Committee's budget denies most of the governor's new initiative to improve North Slope air quality, spill response and permit streamlining at a time when North Slope oil development is under close national scrutiny. This cut will substantially slow the issuance of leases that will bring Alaska \$10 million in lease revenues.
- Transportation- cuts will severely curtail road maintenance with the closure of three maintenance stations, elimination of winter maintenance of many roads; and the elimination of 134 permanent, full-time positions and 25 part-time positions. Eight full-time positions will become part-time.
- **Fisheries** Senate Finance Committee's budget eliminates the state's core management and research activities in the Bering Sea/Aleutian Islands crab program, resulting in the <u>loss of state administration of a large portion of Alaska's commercial seafood production</u>. The cut may jeopardize existing federal grants and eliminate the Board-mandated observer programs. The elimination of state support for the commercial fisheries genetics lab will effectively dismantle the program that conducts statewide genetic stock identification research and evaluation.
- Public Safety cuts will eliminate 17 trooper positions mostly in urban areas and will seriously reduce public access to basic police protection in Fairbanks, Mat-Su, Kenai and Anchorage and also affect potentially 30 civilian employees including Fish and Wildlife aides reducing support for enforcement of laws and regulations for sport and commercial fishing and hunting activities statewide.

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Continued...

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Details on the Cuts

For details on proposed cuts for each department, visit the Office of Management and Budget web site:

http://www.gov.state.ak.us/omb/akomb.htm

- budget bill (SB 289) reflects a \$17 million reduction from the Governor's request. This is the full amount of the Governor's proposed increment, which was intended to bring the Marine Highway Fund out of deficit due largely to the M/V Columbia fire; honor labor contracts; return service levels to FY99/00 levels; bring on the Metlakatla shuttle; and accommodate fuel cost increases. Unless action otherwise is taken by the Senate Finance Committee or the full Senate, this reduction is \$12,178,900 more than the House general fund reduction and will have a devastating impact on all Marine Highway System services.
- Watchable Wildlife Senate Finance <u>Committee reduction of most of the state match for watchable wildlife federal funds</u> will affect Goshawk and Endangered Species Research, Brown Bear viewing, Round Island and Walrus Island Sanctuaries and Anchorage and Northwest Alaska Raptors.
- oll and Gas Permitting Senate Finance Subcommittee denied funds to allow the Division of Governmental Coordination (DGC) to continue to provide an increased level of customer service in the area of oil and gas permitting: coordination and facilitation of the other permits needed for oil and gas exploration and development.
- International trade cuts would reduce the state's ability to assist private companies selling products and services abroad, including eliminating a proposed trade program in China, one of the world's fastest growing markets. Similar initiatives in Japan and Korea have helped expand the sales of Alaska goods and services there.
- **Inspection backlogs** Senate Finance Committee's budget increases backlog for inspections of elevators, boilers and electrical installation, thereby <u>elevating the risk of serious injuries to the public</u>.
 - Water Quality Permitting The Senate Finance Subcommittee reduced general funds by \$98,300 (with an associated loss of an equal amount of fees); and denied an anticipated \$175,000 fund source change from general purpose funds to federal funds. With this cut, the <u>state will stop certification of federal wastewater discharge permits</u> because the impacts are primarily economic. The federal government will issue the permits without state certification. The permittees will not have the benefit of flexible, yet environmentally protective, permit conditions that allow a mixing zone, a zone of deposit or a site specific water quality standard in a federal wastewater permit.